

Office of the Governor  
State of Louisiana

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August 15, 2017

The Honorable Ben Carson  
U.S. Department of Housing and Urban Development  
451 7th Street S.W.  
Washington, DC 20410

Dear Secretary Carson:

Thank you for taking the time to visit Louisiana on the one year anniversary of the historic floods in South Louisiana. We appreciate the Trump Administration's commitment to our recovery from this disaster.

While the most significant damage from last year's flooding occurred in South Louisiana in August, we cannot forget the record flooding that began in North Louisiana in March of 2016 and made its way to every corner of the state. Together, these two weather events left 56 of our 64 parishes under a federal disaster declaration. We cannot overstate how important it is for Louisiana and the federal government to have a strong partnership in this recovery effort.

To date, the federal government has allocated more than \$1.7 billion in Community Development Block Grant (CDBG) funding to assist homeowners in the rebuilding process. While we estimate that some 90,000 homeowners were affected by the two flood events, to date, more than 40,000 homeowners have completed the RESTORE LA Homeowner Assistance survey to receive financial support. As of this flood anniversary, your support has allowed us to award more than \$15 million to over 500 homeowners to rebuild their lives.

Louisiana has worked quickly to move this process forward – taking a total of only 26 days to submit the federally-required Action Plans to the Department of Housing and Urban Development (HUD) for the three separate appropriations, an effort the Trump Administration hailed as "historically fast," and awarding checks to homeowners 50 days after the funds were made available to the state when similar construction programs for disasters, such as Superstorm Sandy, took between 210 to 328 days to accomplish the same milestone.

All of that said, we understand that there is always room for improvement. Recovery from disasters of this magnitude can never go quick enough for homeowners, and it is our job to make changes when necessary. People's lives were turned upside down by these floods, and the last thing we should burden them with is an overly-complicated recovery process. For that reason, I am asking that we join forces to make historic changes to the recovery program that will benefit homeowners who are left to pick up the pieces after disaster strikes.

In the immediate aftermath of the storms, more than 18,000 Louisiana homeowners were approved for Small Business Administration (SBA) loans and are now unlikely to receive CDBG funding to complete their recovery. As you are aware, SBA loans are often the only source of funding for some citizens following a disaster and must be repaid, while CDBG assistance does not have to be repaid by the homeowner. We are requesting your support in allowing homeowners to make use of both SBA loans and CDBG funding. This is, perhaps, the single biggest change we can make to support homeowners, not just in Louisiana, but across the country. Many homeowners were determined to have been eligible for SBA loans but did not take full advantage of those resources for financial or other reasons. Currently, HUD requires us to take the full amount of the authorized loan as a duplication of benefits, despite the fact that the full loan was not drawn by the homeowner. In many cases, these homeowners have decided they cannot support the additional financial burden of the loan, but they are still being penalized as they seek HUD assistance. This is a policy fix by HUD, and is in fact, supported in 42 USC 5155 of the Stafford Act.


Next, since October of 2016, my administration has requested approval from HUD to make the recovery process more efficient by reducing or eliminating the need for costly individual environmental reviews on single family homes eligible for repairs. These costly, unnecessary reviews are taking away funds that could otherwise be used by homeowners to rebuild, mitigate against future floods, or help small businesses reopen their doors. At the current average cost of \$1,250 per site-specific environmental inspection, the environmental review price tag for single family home repairs could top \$80 million, or 5 percent of the funding allocated to the state.

When we talk about helping citizens who have fallen victim to disaster, these are exactly the types of changes that will have a lasting, meaningful impact on their lives. Any assistance you can provide to make these reforms would be met with the full support of the State of Louisiana.

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We appreciate your support as our recovery continues. If there is any additional information we can provide, please do not hesitate to ask.

Sincerely,



John Bel Edwards  
Governor

cc: Louisiana Congressional Delegation